

June 21, 1995

SUN 27 1995

EXHIBIT

CONFIDENTIAL

To:

Don Patton

From:

Alan MacKenzie

Yasu Hasegawa

Doug Durand Don Meek

Karen Howard

Subject:

Meeting with Ann Vickery of Hogan and Harston

Tuesday June 20th

Don Meek, David Landsidle and myself met with Ann Vickery of Hogan & Harston for nearly 3 hours. I called this meeting to review the following issues with Ann:

Application of Lupron Reimbursement White Paper

Now that the paper is complete we discussed the use of this argument with payors. Another H & H attorney, Bob Brady (a former FDA enforcement lawyer) gave us his opinion on whether or not we should be concerned for regulatory (labeling) review of this document. The conclusion... the paper is written in fair balance, and risk is low. Next step, put paper in final form, review with Dean Sundberg and have available as a ready document for situations where medical therapy is limited or excluded for advanced prostate cancer due to payor policy.

HCFA initiative to set guidelines for GnRH AGONIST use 2.

Ann has had very recent discussions with the top HCFA Policy Director who indicated that there is no further effort at this time to set new policy in this area. However, HCFA remains concerned at the "extraordinary costs" of this class of medicine and would like to see AUA active in setting guidelines in PCA treatments. Hogan and Harston will continue to monitor.

DD 0081



Estimated Acquisition Cost Policy

Good news here! Ann just spoke with the Senior Director on payment policy told her the following:

"HCFA does not have the manpower to meet all the requirements of the OMB to statistically validate the drug survey process". Thus Ann call this a "Bureaucratic Mexican Standoff", OMB will not budge on its policy and HCFA can not put the resources toward it. Thus no action is in place to move the survey process ahead. Ann believes we are at least a year away (if ever) from any EAC activity. She did mention that congress could include EAC into the Medicare Reform Bill as an add-on. H & H will closely monitor this in bill mark ups.

Future of Medicare Program

For certain, the Medicare Budget will be cut from \$250-\$300 billion over the next five years. Both Republican and Democratic sponsored bills call for incentives to move beneficiaries into managed care programs. Another possibility is a voucher option, where a beneficiary receives a voucher for the cash value of their Medicare benefits and then goes out to the market place to purchase private health insurance. The voucher plan would also push people toward managed care to get the perceived biggest bang for their buck. In all scenarios, TAP can expect continued acceleration of managed care delivery of Medicare.

5. 3 Month Depot

We informed Ann of our imminent 3 month approval and the absolute need to have a smooth reimbursement process at launch. Ann thought that providing there are no significant changes in the cost for an equivalent month of therapy, we should expect no difficulty. H & H provides expert guidance in the applications for codes/reimbursement from HCFA. Both Don Meek and I agree to retain H& H for this use.

Finally we reviewed the overall relationship between TAP and Hogan and Harston. Practically, it makes sense to set up 2 billing entities at TAP, one in Marketing for retainer and policy monitoring and the other in Operations for day to day support of our reimbursement services

Hogan and Harston continues to provide expert counsel for TAP and as you can tell from the above notes, this was a most productive meeting.